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DE RUEHAH #0390/01 0881228
ZNR UUUUU ZZH
P 281228Z MAR 08
FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC PRIORITY 0513
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY
RUCNCIS/CIS COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHAK/AMEMBASSY ANKARA PRIORITY 3561
RUEHBJ/AMEMBASSY BEIJING PRIORITY 1379
RUEHKO/AMEMBASSY TOKYO PRIORITY 1246
RUEHIT/AMCONSUL ISTANBUL PRIORITY 1815
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RUEHVEN/USMISSION USOSCE PRIORITY 2363
RHMFIUU/CDR USCENTCOM MACDILL AFB FL PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

UNCLAS SECTION 01 OF 03 ASHGABAT 000390

SIPDIS

SENSITIVE
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STATE FOR SCA/CEN, EEB
TREASURY FOR BAKER/LANIER

E.O. 12958: N/A

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SUBJECT: TURKMENISTAN'S RURAL DEVELOPMENT PROGRAM FOCUSES ON
INFRASTRUCTURE, RATHER THAN EXPERTISE

REF: ASHGABAT 0201

11. (U) Sensitive but unclassified. Not for public Internet.

12. (U) SUMMARY: The long-awaited National Program on Rural Development finally became public in March 2008. The Government of Turkmenistan plans to spend \$3.661 billion on development in the provinces between 2008-2020. Each province was allocated 15-16 trillion manats (\$800 million), except for the oil-rich Balkan region, which only got about half that amount. The program specifies the sectors the government intends to focus on and the activities to be undertaken. The education, water supply, and electricity sectors received most of the funds. END SUMMARY.

PROGRAM ROLL OUT

13. (U) The National Program of the President of Turkmenistan on reforming social/living conditions of the population of villages, settlements, cities of districts and district centers for the period of 2020 -- the official title of the program -- has been one of President Berdimuhamedov's most important initiatives since his inauguration. This program encompasses a broad range of social and economic sectors, including education, healthcare, sports, water supply, roads, electricity and gas supply, telecommunications, and housing. First announced on April 2007, the National Program was finally completed in March 2008. The total amount of funds allocated for the program is 72,501 trillion manats (\$3.661 billion). The total amount of funds is divided among Turkmenistan's five provinces as follows:

Ahal	16.4 trillion manats (\$828 million)
Balkan	8.8 trillion manats (\$444 million)
Dashoguz	15.8 trillion manats (\$798 million)
Lebap	15.3 trillion manats (\$773 million)
Mary	16.2 trillion manats (\$818 million).

Implementation will take place in three phases: I) 2008 - 2010, II) 2011 - 2015, III) 2016 - 2020. The program indicates the percentage

of funds to be spent for each phase in every region.

SECTOR DIVISION

14. (U) In addition to the division of the funds among the regions, the program also oversees the distribution of funds among various sectors:

-- HEALTHCARE (\$74 million)

A total of 1.461 trillion manats (\$74 million) is allocated to improve the healthcare system in the regions. Mainly, the funds will be directed towards constructing new hospitals, renovating existing clinics and medical centers, and providing regional ambulance services with sufficient vehicles, equipment, and means of communication.

-- EDUCATION (\$1.047 billion)

The education sector is receiving the most funds. A total of 20.74 trillion manats (\$1.047 billion) will be divided almost equally between schools and kindergartens. The primary areas targeted for development in the education sector include modernizing and strengthening the material-technical base of educational establishments and organizing technological training. (NOTE: The government has been keen to promote the multi-media, interactive method of teaching and has set up high-tech equipment in a number of schools in Ashgabat. END NOTE.)

-- CULTURE (\$41 million)

The amount of funds allocated to the culture sector is 815.4 billion manats (\$41 million). The range of cultural activities includes

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preserving historic monuments, developing museums, organizing cultural festivals, and establishing branches of art schools in villages and settlements.

-- SPORTS (\$332 million)

A total of 6.580 trillion manats (\$332 million) will be directed towards promoting physical education and sports in general. The funds will be spread among building 212 sports schools and 180 sport facilities as well as organizing annual sports competitions on the district, provincial, and national levels.

-- WATER SUPPLY: (\$570 million)

To improve water supply, the government has allocated 11.022 trillion manats (\$570 million) -- the second-largest allocation, behind the education sector. The scope of this work includes building almost 23 thousand kilometers of water pipes and digging vertical wells to provide drinking water as well as water for agricultural purposes.

-- ROADS: (\$321 million)

A total of 6.348 trillion manats (\$321 million) will be spent to improve Turkmenistan's roads under the National Program. Work in this sector includes building new roads, and refurbishing existing ones, with a total length of about 24,000 kilometers. In addition, the program oversees renovation of the roads to production facilities, such as grain barns, livestock farms, and production brigades. An embassy contact has stated that a district in Dashoguz region has already received its allocated funds of 17 billion manats (\$2.72 million) to build roads in that district (reftel).

-- GAS SUPPLY: (\$151 million)

The government plans to lay 2.999 trillion manats (\$151 million) of gas pipe in the outlying regions. According to the National Program, the pipes will reach the most remote areas of the country and "economically beneficial, efficient, and environmentally friendly technologies" will be established. The total length of gas pipe being built totals about 12,000 kilometers. (NOTE: During the

Cabinet of Ministers Meeting on February 2, Chairman of the TurkmenGaz State Concern Kakayev reported that officials had purchased various sizes of pipe, valued at \$40 million, and had delivered the first batch to the sites. END NOTE.)

-- ELECTRICITY: (\$565 million)

To increase electricity supplies, the government plans to lay about 24,000 kilometers of power transmission lines for a total of 11.1847 trillion manats (\$565 million). One of the main goals in this area is to ensure provision of an uninterrupted supply of electricity.

-- TELECOMMUNICATIONS: (\$43 million)

The goal in developing a telecommunications system is to provide modern telephone communication and other information services. In addition to installing telephone lines in villages, the program foresees gradually transforming analog telephone stations to digital. (NOTE: There are a handful of remote districts and villages in the regions that still lack telephone service. There are also some places that have only one or two telephones per village. END NOTE.) The government allocated a total of 854.1 billion manats (\$43 million) for this sector.

-- HOUSING: (\$365 million)

The government has allocated 7.219 trillion manats (\$365 million) to develop the housing sector. The range of activities in this sector includes allocating plots of land, assisting families with 10 or more children to purchase and build houses, providing soft loans to

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newlyweds, constructing residential buildings, and renovating existing residential buildings.

-- MUNICIPAL SERVICES: (\$152 million)

For improvement of municipal services, the National Program has appropriated 3.018 trillion manats (\$152 million). The scope of work involves establishment of sewage systems and organizing timely collection of garbage. (NOTE: Only Ashgabat and a few other major cities of Turkmenistan have sewage systems. People in districts and villages pour wastewater into man-made wells. According to a provincial contact, it may take as much as several weeks for the local government to take garbage out from the wells; until then, environmental contamination remains a problem. END NOTE.)

15. (SBU) COMMENT: Although Berdimuhamedov deserves credit for recognizing the need to develop Turkmenistan's regions -- something that was almost totally neglected under Niyazov -- he fails to spend the \$3.7 billion for the National Program in the most efficient and needed form to develop the country. Building numberless new schools and equipping them with the latest modern technology will not produce graduates able to think on their feet and eventually assist in their country's development. Moreover, simply setting up thousands of kilometers of transmission lines, gas and water pipes will not provide "uninterrupted supplies of electricity" or gas and water, unless the government also emphasizes regular maintenance and invests in developing management teams to assist lower-level government officials to deal with these problems. END COMMENT.

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